

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6082**

**BILL NUMBER: SB 11**

**NOTE PREPARED: Jan 9, 2006**

**BILL AMENDED: Jan 9, 2006**

**SUBJECT:** Various Securities Matters.

**FIRST AUTHOR:** Sen. Drozda

**FIRST SPONSOR:**

**BILL STATUS:** CR Adopted - 1<sup>st</sup> House

**FUNDS AFFECTED: X GENERAL  
DEDICATED  
FEDERAL**

**IMPACT:** State

**Summary of Legislation:** This bill makes various amendments to the law concerning securities regulation. The bill provides that transactions exempt from certain security registration requirements include the offer or sale of securities involving certain mergers or share exchanges that occur within or outside the United States. (Current law exempts the offer or sale of securities involving certain mergers or share exchanges that occur within the United States.)

This bill also changes the method of selection of home and branch offices of registered broker-dealers for completion of compliance reports.

It provides that: (1) the Chief Deputy Commissioner and each designated attorney or investigator are police officers of the state and members of the Enforcement Department of the Securities Division; (2) a person who is subject to an order of rescission, restitution, disgorgement, or a civil penalty that has not been satisfied in full is not eligible for the issuance or renewal of any license from any agency, board, commissioner, officer, department, or bureau of state government; and (3) certain violations may be brought in the county where the violation allegedly occurred or Marion County.

The bill changes the: (1) time a franchisor must renew a registration from 30 days before expiration of the registration to not later than the date the registration expires; and (2) time an employer who has an employee conducting origination activities must register from 15 days to 5 days after the employee first conducts origination activities.

The bill provides that: (1) the Securities Commissioner may provide certain interpretive opinions or issue

determinations under the law concerning loan brokers; and (2) certain individuals under the law concerning loan brokers may request an appeal from a denial of an application or a final order by the Securities Commissioner.

This bill requires that a person who does not comply with an order of the court or judge under the law concerning loan brokers be punished for contempt of court.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:** This bill could decrease the administrative costs of the Securities Commissioner in the Secretary of State's Office. The overall decrease will ultimately depend upon the administrative actions taken by the Commissioner.

The bill allows the Commissioner to bring an action for a violations under IC 23-2-1-3 or 8(a) in either the county where the violation allegedly occurred or Marion County. Under current law the action could only be brought in the county where the violation allegedly occurred.

The bill also allows the Commissioner to issue interpretive opinions on possible violations. This could increase the administrative costs for the Commissioner, but these costs could be offset by the provision of this bill which allows the Commissioner to set a fee for individuals requesting interpretive opinions.

**Explanation of State Revenues:** See *Explanation of State Expenditures*.

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:**

**State Agencies Affected:** Secretary of State's Office.

**Local Agencies Affected:**

**Information Sources:** Secretary of State's Office.

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